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IMMEDIATE RELEASE

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Department of Defense and Office of Personnel Management Announce **New Human Resource System**

The Department of Defense and Office of Personnel Management announced today submission of final regulations for the National Security Personnel System (NSPS) to the Federal Register.

The final regulations define the rules for implementing a new human resources system that will affect about 700,000 DoD civilian employees regarding pay and classification, performance management, hiring, workforce shaping, disciplinary matters, appeals procedures and labor-management relations.

"To transform the way DoD achieves its mission, it must transform the way it leads and manages its people who develop, acquire, and maintain our nation's defense capability," said Gordon R. England, acting deputy secretary of defense, who also serves as the DoD senior executive for NSPS. "Our civilian workforce is critical to the department's success and NSPS will provide a modern, flexible system to better support them."

NSPS will improve the way DoD hires, assigns, compensates and rewards its employees, while preserving the core merit principles, veterans' preference and important employee protections and benefits of the current system.

The regulations are the result of a broad-based effort that included input from DoD employees, supervisors, managers, senior leaders, union representatives, Congress and public interest groups. As a result of input received from the DoD unions as well as more than 58,000 public comments, DoD and OPM leadership have made a number of changes to the proposed regulations.

"Preserving the fundamental rights of our employees was a critical factor throughout the design process," said England. "We believe the regulations strike a balance between employee interests and DoD's need to accomplish its

mission effectively and to respond swiftly to ever-changing national security threats."

The implementation plan for NSPS includes a multi-year schedule. The Labor Relations System will be implemented for all bargaining unit employees shortly after the enabling regulations are in effect. The Human Resources System and the appeals process will be phased in once implementing issuances are in place and training is underway. Spiral One of the transition to NSPS, comprising approximately 270,000 employees, will be phased in over the next year. Spiral 1.1 organizations, with about 65,000 employees, should transition employees to new performance standards beginning in early 2006. These organizations will fully convert to NSPS after employees receive the January 2006 general pay increase and within grade buy-ins. As a result, no employees will lose pay upon conversion to NSPS.

Spiral 1.2 organizations will begin operating under the Human Resources and appeals system in spring 2006, with Spiral 1.3 conversions occurring later in the year. Subsequently, we will incrementally phase-in the rest of the eligible DoD civilian workforce, making necessary adjustments to NSPS as it goes forward.

"Moving forward, implementing the regulations will require a great deal of training and communications with employees to get this right. OPM stands ready to provide the support and technical assistance needed to ensure the success of the NSPS system," said Office of Personnel Management Director Linda Springer.

Communication is critical to the NSPS transition, and the Department of Defense has made a serious commitment to ensure employees receive the information and training they need throughout implementation of the program. In addition to the NSPS Web sites, DoD plans a robust training program on all elements of the new system.

Note: The final regulations may be downloaded from the NSPS Web site at http://www.cpms.osd.mil/nsps on Thursday.